

SECRET

(Security Classification)

DCN CASE SUMMARIES

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(NOTE: Unless indicated otherwise, [REDACTED] information contained in these summaries is classified SECRET/NOFORN/INFORMATION ONLY)

1. DCN Case 415 (Electronic Equipment - Compagnie General DE TSF)

Vienna telegram unnumbered of January 31, 1956 (sent Paris #177) reported a pending transaction of IL I electronic equipment for transit shipment to Czechoslovakia via RICOM, Vienna, from the French firm Compagnie General de TSF. The Austrian Government proposed to license the transaction since an Austrian Import Certificate had not been requested by the French though it was understood that the French export license had been issued presumably with full knowledge Czechoslovakian destination.

The French Government, however, maintains that it issued the export license without requesting an IC, on the basis that the equipment was for use by an Austrian Governmental body. The invoice apparently specified delivery to "Austrian Administration - Oesterreichischer Bor (sic) Rundfunk, under cover RICOM, Vienna."

Since an IC was not requested the Austrian Government has no basis for stopping the equipment once it reaches Austria. However, Ambassador Paris advised on February 8 that the shipment had not left the TSF factory and would not be shipped.

2. DCN Case 416 (Mercury PATVAG, S.A.)

CA-6186, February 14, 1956, reported a possible diversion to the Soviet Bloc of 225 flasks of mercury shipped by ALMADEN, the Spanish mercury monopoly, to its Swiss representative, PATVAG, S.A., Zurich. The order placed by Patvag was for 175 flasks for KREBS & CO., Zurich, and 50 flasks for BROWN-BOVERI WERKE, Zurich.

In January 1956 Almaden reported having shipped a total of 1158 flasks of mercury to Patvag during 1955, whereas the latter's records show its purchases from Almaden to have been 933 flasks. Patvag has been unable to explain this 225 flask discrepancy.

An examination of Almaden's files revealed that the 225 flasks were shipped on May 23, 1955 to the French freight forwarder, SUCESSEURS DE PHILLIPE REY, who reshipped it on May 28 to John IM OBERSTEG & CO., S.A., Basel "to be held at the disposition of Patvag".

If Obersteg, on Patvag's instruction, delivered the consignment direct to Krebs and Brown-Boveri, it would appear that there is sufficient reason for Patvag's records failing to show the 225 flask import.

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SECRET

(Security Classification)

The Department has requested that Madrid and Zurich make further efforts to determine the disposition of this shipment. Ambassador Madrid also suggested, in its D-937 of February 27, 1956, that the appropriate Swiss posts attempt to ascertain from Obersteg whether or not the shipment arrived in its hands during early June 1955. (CONFIDENTIAL)

3. DCN Case 417 (Copper MANNESMAN)

In June of 1955 [redacted] West German firm MANNESMAN was anxious to purchase 25,000 tons of copper. A Belgian broker who learned of this secured an offer of 5,000 tons Chilean electrolytic copper for shipment via the United States by the ANACONDA COPPER CO. This copper was offered without end-use certificate at 25% above the world market price. Mannesmann was unwilling to pay the price quoted, but offered the names of other prospective buyers. These contacts included: LAMITREF, S.A., Antwerp; SORICE, Paris (represented by Edgar AUBAME); G. MEERBERGEN/S.P.R.L., Antwerp; Charles DE MAYER, a contact for Meerbergen; Herr HAGENAUERS (Fnu), director of Luxemburg firm; Roger PRESSEL, who reportedly has contact with the Russian trade delegation in Brussels; and TRIADACO, S.P.R.L., of Brussels, represented by a M. DENIS (Fnu).

4. DCN Case 418 (Molybdenum - SS NERO)

According to the Department of State's CA-4370 of December 6, 1955 and CA-6527 of February 24, 1956, the SS NERO sailed from Barcelona on March 23, 1955 to Amsterdam where one case of molybdenum was offloaded. The molybdenum was forwarded on the Dutch lighter, WAAL, to the Rotterdam freight forwarding firm, HOLLANDS VEEM. Hollands Veem further shipped the molybdenum to Rostock on the Polish ship, M/S SAN on April 9, 1955. Veem has been uncooperative with investigative efforts of the American Consulate at Rotterdam, but has revealed that his principal was a firm in Malmo, Sweden.

5. DCN Case 419

25X1□

I. (Cobalt Oxide - MARIO FELIX)

[redacted] on or about January 10, 1956, a consignment of cobalt oxide weighing 4.7 tons net and 5 tons gross arrived in Antwerp from Goteborg. The Goteborg shipper was stated to be either Gluckmann or NICKEL EXPORT. The goods were being held by the VAN UDEN LINE AGENCY for shipment to Poland via Basel. The Swiss forwarder is Mario FELIX of Zurich. Stubnicki of Burgdorf near Bern arranged the sale to Poland. (Comments: Stubnicki may be STUPNICKI of NEUCHEMIE NEUENSCHVANDER, Burgdorf. Van Uden's agent is NORTHERN SHIPPING SERVICE, Meir 1, Antwerp. Gluckmann is probably A/B GLUCKMANS METALLAFABRIK. There is no record of a Nickel Export.)

II. (Cobalt - OERTLY, Walter)

Stockholm Telegram 852, March 6, 1956; Stockholm Telegram 869, March 9, 1956; Paris Telegram 4252, March 15, 1956; and Brussels Telegram 873, March 16, 1956

report

SECRET

PAGE 5
SECRET

(Security Classification)

report details of several suspicious transactions in cobalt discovered while investigating the FENIX shipment. These shipments appear suspicious because of their routing and the firms and individuals involved. Shipments for which Swedish transit licenses have been requested are as follows:

1. Ten tons cobalt oxide from TREBONNARD COMPANY, 7 Montpelier, London, SW7 (informant uncertain correctness this name) to FERRO-CHEMIE, St. Gallen, Switzerland.
2. Ten tons cobalt oxide from DEGUSSA COMPANY, Frankfurt/Main, to Walter OERTLY, Zurich.
3. One ton cobalt oxide from Ferro-Chemie, Switzerland, to Belgium (consignee is evidently SOCHIMET, Brussels).
4. Ten tons cobalt oxide from Degussa Company, Frankfurt/Main, to URBAN AID-HOUSKA, Vienna 1.
5. Three tons cobalt metal from Societe d'Electrometallurgie (probably UGINE), Paris, to Oertly, Zurich.
6. Seven and one-half tons cobalt metal from SOPOBEL, 2 Rue Keyserveld, Brussels, to Oertly, Zurich.

The Foreign Offices in France and Belgium were approached concerning the shipments involving their countries. Investigation of shipment #6 showed that the export application was supported by a Swedish document purporting to show the importer as BEGOS, A.B., 31 Birgerjarlagatan, Stockholm, and the consumer as MINERAL AND METALL, A.B. 122 Sveavagen, Stockholm.

No trace could be found of shipments 3 and 5. However, investigation revealed the following shipments which will also be investigated:

7. Two tons cobalt powder from Ugine, France, to SOCIETE CROMAAT, Stockholm.
8. Export license issued for five tons cobalt from Sopobel, Brussels, to Begos and Mineral and Metal as in shipment 6.
9. Five tons cobalt from TRADACO, Belgium, evidently to Sweden.

(Comment: Begos, Societe Cronnaat, Trebonnard, and Urban Aid Houska are evidently reliable. A CROMAAT, Stockholm, appears on the Commerce Special Check List.)

SECRET